

## **SPECIAL JOINT COMMITTEE ON EDUCATION**

**April 29, 2013**

**4:30 p.m.**

The Clerk called the meeting to order.

The Clerk called the roll.

Present: Committee Member Ambrogio, Alderman Corriveau, Committee Member Connors, Alderman Craig, Committee Member Staub

Alderman Shaw arrived late

Mssr.: K. DeFrancis

3. [Discussion regarding safety in the schools.](#)

4. [Discussion regarding the FY14 budget.](#)

Committee Member Ambrogio stated I believe we were going to continue the discussion on safety. I don't know if committee members had particular items that they wanted to take up. I believe at our last meeting we talked about continuing that discussion. We also have the item regarding the budget. I'll look to the committee members for discussion items that they wanted to bring up. I know we had asked members of the administration to be here with regard to budget questions. I would assume that aldermen have budget questions. Ms. DeFrancis, Mr. Tursi and Ms. Burkush are here to assist us.

Alderman Craig my only question is if there has been any change from the budget that has been presented to us to now? Not from a board perspective, but have revenues gone down; have any of the numbers? Are there any changes in what you are requesting? Are there any changes in the trust account amount?

Ms. Karen DeFrancis, Business Administrator, replied the only line item that has changed has been the expendable trust line. Originally, we were looking at utilizing \$1.1 million in this year's budget and we are up to \$1.3 million. There was about a \$200,000 change. We will be utilizing \$200,000 more of the expendable trust this year.

Alderman Craig asked the board voted on that already?

Ms. DeFrancis replied it is not voted. Every month I give the finance committee an updated projection as to where we stand and the projection, as of the end of March was that we would use an additional \$200,000. Again, that can change between now and the end of the year, but that was the latest projection.

Alderman Craig asked what is the balance?

Ms. DeFrancis replied the balance would be \$1,015,000.

Alderman Craig stated in the mayor's budget he allocated \$155 million and then said that he would use an additional \$1.2 million from the expendable trust. Are you saying that doesn't exist anymore?

Ms. DeFrancis replied I thought that the mayor's budget was \$1 million from the expendable trust because that is what we had presented to the Board of School Committee, \$1 million. I'm not sure where the \$1.2 million is coming from.

Alderman Craig stated I thought it was \$1.2 million; if it was \$1.2 million that no longer can happen.

Ms. DeFrancis stated that's correct, unless something happens between now and June.

Committee Member Ambrogi asked Karen, what are the main factors that are going to drive whether those numbers are going to change between now and the end of the year?

Ms. DeFrancis replied the weekly claims that we get in from Anthem. We are projecting about \$525,000 a week. They are fluctuating. We had a couple of weeks in the \$400,000 range. This week's just came in around \$575,000. It fluctuates, but we are projecting \$525,000. Also, the pharmacy rebates. We were projecting \$300,000 for the year, which would be \$75,000 a quarter. The first two quarters came in a little bit lower than that, but the quarter that we just received was a little bit higher than that at \$117,000. That might come in a little bit higher than the \$300,000.

Committee Member Ambrogi asked that is an offset?

Ms. DeFrancis replied correct. That is a rebate. The other line item would be the stop loss. We pay the first \$250,000 worth of claims or for each claim we pay the first \$250,000 and anything above and beyond that we get reimbursed from our stop loss carrier. We are expecting those reimbursements or we are budgeting those reimbursements at \$1.1 million. Right now, we are up at about \$500,000. Typically, we don't receive those reimbursements... Now would be the time of year when we start seeing more come in. Last year, I think 90% of the reimbursements came in April through August. That is another thing, if we don't get the \$1.1 million, if we get more or less than \$1.1 million, that would change the expendable trust.

Committee Member Ambrogi stated that is only on individual claims that are greater than \$250,000?

Ms. DeFrancis replied correct.

Alderman Corriveau stated I have a different subject I was hoping to ask about; collective bargaining negotiations with the teachers. Where do those stand right now? What are we looking at for a timeline; anything within the next couple months? Is it possible to envision any progress in the next couple of months?

Ms. DeFrancis replied I would actually ask Committee Member Ambrogi to speak to that because she is on the committee.

Committee Member Ambrogi stated I am part of the negotiations team where those discussions are ongoing. It is really hard to... I don't want to say anything thing outside of negotiation sessions. However, I would describe them in general as being very productive and in general, moving forward. I think that it would certainly be our hope to have to things to report within the next few months, but there is no guarantee. If you have been involved with them before, you know that they can change from week to week. I will say that in those negotiations we certainly are extremely cautious of the budget priorities, the budget constraints, and that is very much part of the discussion.

Alderman Corriveau stated I believe the last time we were here I asked if the teachers accepted the same benefits as the City unions, I believe you said that would be about \$1.6 million in savings. I have since heard some differing numbers. I'm not asking you to reveal any negotiations or anything, but if, for some reason, in the next couple of months, a new agreement was reached could you outline a couple different scenarios of what the aldermen might be able to

look at to help make up any deficit facing the School District that a new agreement wouldn't completely reconcile?

Ms. DeFrancis replied I'm not sure where the \$1.6 million came from. I know last year, and this would be public information because we presented this last year to the boards, we were looking at the agreements that the City signed, we were looking at a savings in health insurance of \$4.8 million. That was not just for teachers; that was for all of the bargaining units?

Alderman Corriveau asked this was last year?

Ms. DeFrancis replied this was last year, when we were looking at going to the new plan and I believe the City went up to 15%. That savings was \$4.8 million. We currently are running those similar types of numbers under different scenarios, as to what the savings would look like under different health plan options.

Alderman Corriveau stated while the numbers have changed, a \$4.8 million savings in health care spending wouldn't be an outlandish scenario?

Committee Member Ambrogio replied one item that I want to make sure we are clear on...

Alderman Corriveau stated I would like to know a total number because if you are adding in steps and COLAs...

Committee Member Ambrogio stated there would be a net savings, but it would not be anywhere near \$4.8 million.

Alderman Corriveau asked would that be along the lines of \$1.6 million or would it be north?

Committee Member Ambrogi replied it depends. There are a number of different scenarios that are being played out. I don't want to speculate on exact numbers. There would definitely be a substantial net savings, yes. One factor that we do have to consider in any transition year, I understand that we would have to, if we were transitioning benefits, you might have, as Karen is talking about, the weekly claims. You might not realize full levels of savings in that first fiscal year. The other thing is that I know that the plans that were discussed last year, when the numbers were presented to us, and I believe that is public information, there were some pieces of that that would have savings in the first year, but in the out years there were not the same savings because of certain buyouts, etc. The plans that are being discussed now are a bit different. We are definitely trying to be very open-eyed about what the savings would be and making those savings real. That is definitely part of the discussion.

Alderman Corriveau stated the reason I ask is only because the aldermen are coming right up against a deadline and I know you are looking at a \$3.6 million difference between the mayor's proposed budget and your needs budget. Every indication the aldermen have received so far is that any surplus that the City is looking at is not going to come anywhere near a \$3 million mark. In fact, I think it is at \$1.3 right now and that is if we used all of it. I suppose I was looking for figures to help us do our math. I really have been wracking my brain trying to figure out how we can work with any available dollars over the next one to two months and I just don't know if the political will is there on the part of the aldermen right now to even approach the subject of a tax cap override without any sort of new agreement between the teachers and the School District. If there was, maybe that would be a game changer and political realities could shift. In terms of

getting away from the math homework and looking at a timeline, where are both sides in the negotiations? Are these a committee meeting with representatives of the MEA and trying to work on agreement? This hasn't reached any kind of a mediation point yet. These are direct negotiations that are... How often are they meeting?

Committee Member Ambrogi replied frequent.

Alderman Corriveau stated this is information that we do not get as aldermen, which is why I am asking. There are weekly meetings.

Committee Member Ambrogi stated there are scheduled meetings for each of the bargaining units that are currently at the table. Those have been established. We are in various phases with the various ones. There are actually a couple of units where we are just beginning. The larger units have had ongoing discussions. It is approximately once a week. There has been a lot of time at the table by both teams. Everyone, at this point, who is on those units who were in discussions are still at the table. The team on the School Board side has members of the School Board, with our lead negotiator, and there are various representatives of these bargaining units. Each of those units has a lead negotiator as well. They have been very fruitful. There has been a lot of discussion about common interest in having the district go forward in a positive manner. It has very much been part of the discussion. I apologize. If I could share more information I would, but it is part of my charter, as a member of that team.

Alderman Corriveau stated that's fine. One of the chief purposes of this committee is that both boards exchange as much information as we can. This has been a subject that I have heard shockingly little about. That is fine if that means real progress is being made. It is certainly instructive.

Committee Member Ambrogi stated it is frustrating from your side to have something of this magnitude going on behind closed doors. As you know, the nature of the beast is that they have to go on behind closed doors. Certainly, as soon as anything is able to be made public, it will be.

Alderman Shaw stated after the presentation that Mr. Robidas gave us; I'm very convinced that everything is necessary and needed. As far as the budget, I don't know if you had any discussion about the bonding at all.

Committee Member Ambrogi stated not this evening, no.

Committee Member Connors stated I know one of the purposes that we formed this committee for was for communication between the two boards. Last time we had some discussion about CIP lists coming from the School Board to the aldermen and whether they had been able to see those. I was just curious if you were finally able to see the CIP list that was put together by the School Board and if you needed information on that.

Alderman Craig stated we did receive the information, but it is not part of the packet that we receive. I did have a conversation with Committee Members Avar and Ambrogi and they were going to follow up. Somehow, I believe the list that comes from the School Board needs to be incorporated into the list that we receive, so that we can see all of the requests on your side along with all of the other requests. What may be beneficial is the mayor holds CIP meetings at the beginning of the budget cycle and non-profits come in and I'm not sure if City side people do, but it may be worthwhile to have the School District come in and present what their needs are during that forum. There are aldermen who participate in that. It just may be another venue to get your message out.



Committee Member Ambrogi asked Alderman Craig, is it your understanding that this has always been an issue? That the list that comes from the School Board has never really been part of that process? Has this been an ongoing problem or is this an oversight this year?

Alderman Craig replied I don't know. During our last meeting, Mr. LaFreniere, from Planning, did say that he didn't receive the list from the school department, but then he did have it. I couldn't tell you.

Alderman Shaw stated it seems to me that there is sort of a communication issue because I believe the school department said that they submitted a CIP list and then we are told that Planning doesn't have it. Where did it go? Who has it? Somehow that has to be clarified. Work does get done, but somehow we don't see that list. That is an issue.

Committee Member Ambrogi asked Ms. DeFrancis, do you have any insight on this issue?

Ms. DeFrancis replied just what we spoke about at one of the previous meetings that what happens is usually during November and December that is when our committee starts to look at it. It starts out in our Building and Sites Committee and then it gets forwarded to our full board and once the full board has approved the priority it is sent over to the Planning Department. This year, I believe, it was sent on January 28<sup>th</sup>. From there, I assumed that it was going through the process. Why those projects are not incorporated into another list that comes from Planning, I don't know what the process is after that. I do know that we did submit the board's list on January 28<sup>th</sup>. What initially happens is the Facilities Division and the Parks and Recreation Division submits all of the backup

paperwork on our behalf. I would think that the Planning Department gets two lists, one from facilities and one from parks and rec. This year I think we actually combined it into one list and that has all the detail paperwork that has to go with it. We submit a summary listing of all of those projects in a priority list because facilities' priority might not be the same as what our board priority would be. I would actually think that you would see two lists.

Committee Member Connors stated I guess my question is, and I'm not sure who should be answering this, is there a way where we should be sending it directly to the board of aldermen so we are sure that they have it in their hands? If we do send it to them, what can they do with our list?

Alderman Craig replied the process is one where the mayor puts his CIP budget together so he obviously knows what your requests are, as the chair of the School Board. What we asked for this year was for his requests in addition to all other requests so we know what is not funded. Somehow I think that the School District's list has to be in that comprehensive list because we, as aldermen, do have an opportunity to make any changes to the CIP budget, as long as we have ten votes.

Committee Member Ambrogi stated in the spirit of sharing information between the two boards, I did have a question and I intended to get information in terms of where we do stand with the technology bond and your thoughts, Alderman, on where that is likely to go from here. I know that it is all part and parcel of the budget discussion, but I read some things in the paper and I'm not entirely sure that I understand what the current procedural status is.

Alderman Craig stated as far as I know it is coming up at our next board meeting and there need to be ten votes for it to be approved and there were eight votes to move it forward.

Committee Member Ambrogi asked is there particular information that the aldermen need to have with regard to that that we could potentially help to provide?

Alderman Craig replied not that I know of.

*There being no further business, on motion of **Alderman Craig**, duly seconded by **Alderman Corriveau**, it was voted to adjourn.*

A True Record. Attest.

A handwritten signature in black ink, appearing to read "Matthew Normand". The signature is fluid and cursive, with a long horizontal stroke at the end.

Clerk of Committee